

**Report of the Director of City Development**

**Report to Executive Board**

**Date: 15 November 2017**

**Subject: The Local Centres Programme (LCP)**

Are specific electoral Wards affected? If relevant, name(s) of Ward(s): ALL	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

**Summary of main issues**

1. Town and local centres across Leeds play a crucial role in supporting places and communities to respond to economic change. The Council's draft Inclusive Growth Strategy recognises their importance as economic, social and service hubs and the need to continue to deliver improvements that promote enterprise and connect people to jobs and opportunities within them. Targeting improvements to local centres would assist in delivering the Best Council Plan ambition of promoting sustainable and inclusive economic growth.
2. There have been significant strides in recent years to develop and improve the vitality and viability of local centres. People are passionate about local centres and high streets and a number of recent initiatives have provided a platform to turn that passion into action. The Portas Pilots initiative, the establishment of several Town Teams and Business Improvement Districts together with the Town and District Centres Improvement Programme have all used this local activism to deliver improvements that will support the sustainability of local centres.
3. However, many local centres still need to adapt and change to accommodate the challenges of internet shopping, the demand for more leisure activities, out of town shopping centres and edge of centre supermarkets and the disappearance of many day to day services from the high street. This report proposes a programme of support and interventions that can be introduced to increase the vitality and viability of local and

neighbourhood centres through the development of ward based bids for funding, supported by Council services and local agencies. The Local Centres Programme (LCP) seeks to utilise the £5m announced at Full Council in March 2017 to fund innovative and sustainable improvements to town and district centres as a component of supporting regeneration and growth across the city.

4. Depending on the nature of the proposals coming forward, projects would be categorised by scale into £150k, £50k and £10k groups to provide a framework for bid development. Schemes would be initiated by an open bidding process that seeks expressions of interest from Council services and other partner organisations, endorsed by Ward Members.
5. The funding will provide a catalyst to drive further investment, lever match funding and to maximise the impact of public investment by aligning it with other funds. The programme will build upon previous investment and utilise the best ideas from across the city to create opportunities for innovation and growth which is accessible by all.
6. Officers will work proactively with Ward Members, Community Committees, business groups and others to develop expressions of interest which meet local needs within the terms of the Local Centres Programme. The expressions of interest will be evaluated using the considerations outlined in Appendix 1 and brought forward to Executive Board for consideration. There will be two rounds of bidding commencing in December 2017, with a final rounding starting in February 2019.

### **Recommendation**

7. Executive Board is recommended to:
  - (i) Note the report;
  - (ii) Authorise the Director of City Development, in liaison with the Executive Member (Regeneration, Transport and Planning), to implement the Local Centres Programme as outlined in paras 3.1 to 3.9 and Appendices 1 to 3; and
  - (iii) Note that the Executive Manager (Town Centres, Heritage & Buildings) will be responsible for implementation.

## **1 Purpose of this report**

- 1.1 In March 2017 the Full Council established a £5m capital fund to improve town and district centres across the city. This paper proposes a scope for the emerging Local Centres Programme (LPC) for consideration and approval.

## **2 Background information**

- 2.1 Local centres and neighbourhoods are recognised by the people who live there and the businesses and organisations that serve them as distinct places. These centres provide the basis for a wide range of activities, local networks, employment and the opportunity to participate in enriching activities which reduce isolation and enhance cohesion. Extensive research has highlighted the need to pay attention to these centres as a means of tackling inequality and furthering happiness and well-being. Local centres also provide opportunities for enterprise by providing accessible space for new businesses to start and grow.
- 2.2 The role of local authorities is also vital as Council owned premises including arts and cultural ventures increase footfall. The use of public and community buildings as hubs for the delivery of services across sectors can improve efficiency and enable cost savings. Public realm and highway improvements can prompt private investment which multiplies the original investment, helping to create jobs and confidence within these communities. These buildings can also provide opportunities for Community Asset Transfer.
- 2.3 The Inclusive Growth Strategy includes the commitment to make the economy work for everyone and sets out as one of 12 big ideas the need to support places and communities to respond to economic change. The realisation of this Inclusive Growth Strategy vision is guided by five key interventions all of which could be linked into and fostered by the Local Centres Programme, namely:
- Targeting investment and intervention to tackle poverty in priority neighbourhoods;
  - Improving housing and quality of place in priority neighbourhoods;
  - Building more homes ;
  - Transforming the role of town centres as economic and service hubs; and
  - Making assets work to support growth and communities.
- 2.4 The Inclusive Growth Strategy also recognises that in spite of the economic success of the city centre and decades of targeted capital based regeneration in local neighbourhoods there remain problems arising from income inequality. As such some local centres have struggled to maintain their relevance given the multiple pressures of internet shopping, out of town superstores and the concentration of some services such as banks within larger centres.
- 2.5 There is also an overcapacity of retail space in some local centres with many affected by an increase in online sales and a concentration of new retail developments outside or at the edge of existing centres. In some locations, due to the effect of vacant shops and a perception among some that their local centres are not providing them with all the services they need or want, there has been found to be a negative impact on people's quality of life. Also diversity within some centres has declined limiting their utility and leaving the less mobile with reduced choices which in turn impacts on their well-being.

- 2.6 A decade ago, working closely with local businesses and ward members, the Council instigated the Town and District Centres (T&DC1) scheme to deliver 17 commercial improvement schemes across Leeds at a cost of £11.1m. The investment attracted over £6m of match funding to enable the creation of new affordable housing units in Morley, market refurbishment at Wetherby, Pudsey and Otley, a library extension in Garforth along with new highway and parking facilities and extensive public realm improvements in other local centres across the city. The funding also helped match fund Townscape Heritage Initiatives in Armley and Chapeltown which invested in public realm and traditional properties to create new shops, offices, flats and a nursery and which in total has attracted some £3m in external investment. Another three local centres, Dewsbury Road, Kirkstall and Harehills, have received support under the smaller scale £700k T&DC2 programme.
- 2.7 There is now a need to look at how we can learn from this approach to help local centres cope innovatively with a number of emerging challenges and opportunities recognising that business development, community involvement, the creation of social capital, marketing and promotion are required alongside physical investment. Business confidence, inspiring a greater sense of inclusion and civic pride are also important outcomes. Therefore, the new programme needs to build on the successes of T&DC without being bound by it. Scope exists for innovative approaches to securing the future of 21<sup>st</sup> century local centres, in the light of the challenges posed by Brexit and changing shopping modes.

### **3 Main issues**

- 3.1 The main aims of the LCP are to secure contributions to the Inclusive Growth Strategy by 'bottom up' proposals to address local opportunities identified by members, front line services and partners, combined with strategic interventions where justified by need, policy and research. In particular:
- Engaging local businesses and communities to create viable local centres that are accessible, safe, resilient and fit for the 21<sup>st</sup> century;
  - Providing employment opportunities and the re-use of vacant spaces, especially traditional buildings;
  - Encouraging innovation in the use of buildings and spaces to encourage appropriate commercial uses including digital inclusion and business support;
  - Introducing physical improvements that support access to jobs and housing and which create a local environment that directly promotes well-being and more resilient communities;
  - Helping create local capacity to ensure the sustainability of the interventions, including efforts to promote marketing, quality promotions and events, even to seed new BIDs, where justified; and
  - Helping to understand, monitor and plan for the future needs of town centres.

#### **Funding Application Process**

- 3.2 Officers will work proactively with Ward Members, Community Committees, business groups and others to develop expressions of interest which meet local needs within the terms of the Local Centres Programme. The expressions of interest will be evaluated using the considerations outlined in Appendix 1 and brought forward to Executive Board

for consideration. There will be two rounds of bidding commencing in December 2017, with a final rounding starting in February 2019.

### **Terms of Reference**

- 3.3 Each ward will be able to bid for funding of up to £150k, per project, for a local or neighbourhood centre scheme. By taking a whole centre approach it is recognised that local centres depend on wider economic issues and markets that are not necessarily within their control. However, wider housing, employment and access issues are intrinsically linked with town and district centre performance. Therefore, projects should take a holistic view to optimise their impact by linking to other complementary initiatives where possible. Where scope exists projects should also consider the role of ecommerce, the digital high street, new workspace solutions and the rebalancing role of centres as economic hubs away from struggling retail to focus on other innovative ways of providing them with a sustainable future.
- 3.4 It is likely that some wards will identify smaller schemes that do not need this scale of funding. Smaller scale interventions, enabled by bids of up to £50k or £15k, will be invited to focus on helping businesses to increase their capacity to help themselves and providing the building blocks for future investment, for example in the form of toolkits and support for local forums. In these situations partnerships with business will be imperative. Given the resources available and the spread of potential centres, it is likely that the programme will have to operate on a peripatetic basis, with interventions limited to 18-24 month duration before moving on to the next centre. However, the mix of resources and duration will dependent on local circumstances and it may be that different intervention streams will have distinctive timescales too. Project proposals will also be assessed against evidence of local need, deliverability and scope. Projects will be principally for capital investment and must guarantee post-completion maintenance. Whilst a modest fee budget will be available for scheme development, there is no funding for recurring costs.
- 3.5 The intervention to support local centres needs to be led by local leaders within these centres and the Council will need to play an enabling role with capacity building and investment. However, this will take time and it is likely that capital projects, for example, will continue to be led by Council officers or third sector agencies. These centres need to be well presented and safe. Resources, some from local businesses, will be needed to provide high standard maintenance, cleaning and security via CCTV cameras and local wardens.
- 3.6 The programme will apply to all town, local and neighbourhood centres. The city centre would not be eligible but interventions that would support the connectivity of local neighbourhoods to the city centre to enhance local growth within Neighbourhood Priority Areas or access to economic and employment opportunities could be eligible. Bidding would be on an open basis with any assessment of the proposals guided by evidence of scale of need, deprivation, impact and sustainability of any changes proposed. It is assumed that the bidding process will be competitive with some areas inevitably not securing funds. Areas without access to significant local funds such as Community Infrastructure Levy, Section106 and Ward Based Initiatives would be prioritised. The matrix in Appendix 1 sets out the key principles that would guide the programme. A list of potential project themes are outlined below in Table 1.

Table 1: Potential Project Themes

<b>LOCAL CENTRES AND NEIGHBOURHOODS</b>	<b>INCLUSIVE GROWTH AND LOCAL INNOVATION</b>
<ul style="list-style-type: none"> <li>• Commercial and public realm improvements to support additional vitality and viability within local centres</li> <li>• Complementary highways and safety improvement schemes</li> <li>• Seed Town Teams, BIDS &amp; capacity building for traders</li> <li>• Develop plan on a page for local centres in order reinforce and complement local activities</li> <li>• Toolkits to provide the means for local businesses to improve their trading environment</li> <li>• Support for PR and marketing</li> <li>• Promoting local cohesion and community safety</li> </ul>	<ul style="list-style-type: none"> <li>• Property schemes linked to jobs and/or re-use of traditional and cultural buildings</li> <li>• The creation of small workspaces, living above the shop</li> <li>• Support for enhanced use of digital consumer and telecoms systems</li> <li>• Delivering innovative solutions to local needs</li> <li>• Schemes supporting the digital economy</li> <li>• Social enterprise promotion</li> <li>• Inward investment potential (e.g. new townscape heritage schemes)</li> </ul>

- 3.7 LCP will need to incorporate the most successful actions of previous schemes and whilst considering a more holistic way of responding to local needs beyond capital public realm interventions. The local traders need to be organised to face the new challenges of internet shopping, out of town shopping centres and withdrawal of many banks and multiple stores from the high streets. Businesses within local centres need to be encouraged to form into Town Teams, work on the Beeston T&DC2 scheme has shown how this can be done. Some may warrant developing into BIDs, but this is very challenging and the local capacity is only likely to exist in a small number of centres.
- 3.8 Bids must demonstrate the additionality, in that the Local Centres Programme will only support projects that cannot be funded from other sources. Projects will be assessed according to the considerations outlined in Appendix 1 by a LCP Bids Panel which will make its recommendations to the Council’s Asset Management Board for determination in liaison with the Executive Member (Regeneration, Transport and Planning). The commitment of capital funding will only be undertaken after rigorous appraisal, cost analysis and design freeze, with financial approvals processed in accordance with the Director of City Development’s delegated powers. Project management governance will be based on PM Lite with area based project teams and a project board providing management oversight for the LCP as a whole. Monitoring reports will be presented quarterly to the Executive Member for Regeneration, Transport and Planning, in addition to the relevant Community Committees and / or the Neighbourhood Priority Board.
- 3.9 The Programme will commence in February 2018 and the key stages are illustrated at Appendix 2. However, in order to hit the ground running the scheme will initially review schemes that, either improve the infrastructure of local centres or which directly benefit Neighbourhood Priority Areas, which are in the pipeline and already have Ward Member and significant local support. These ‘pipeline’ projects will be evaluated to see whether

there is scope to secure a number of quick win schemes where up to £150k in match funding is required and the schemes can achieve design freeze in the 2017/18 financial year and are able to commence in Quarter 1 of the 2018/19 financial year. All quick wins schemes will be evaluated using the criteria outlined in Appendix 1.

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

4.1.1 The Executive Member (Regeneration, Transport and Planning) and the Chief Officer of Communities have been consulted.

4.1.2 Consultation with Ward Members and a range of local business and community organisations will commence immediately after the terms of the Programme are agreed. However, the Programme has been informed by over a decade of the Town and District Centres Schemes, which has included close working with Ward members, local communities and businesses in developing and implementing positive changes to their local centres.

### **4.2 Equality and Diversity / Cohesion and Integration**

4.2.1 Giving due regard to equality, the proposals in this report has been subject to an Equality Screening, which is appended to this report (Appendix 3).

### **4.3 Council policies and Best Council Plan**

4.3.1 The project will support the Best Council Plan 2017-18 objectives to **promote sustainable and inclusive economic growth**. It will do this by providing grant aid and development expertise to help address market failure in some local centres. Without this intervention it is possible that some centres will decline losing opportunities to create a distinctive independent commercial offer to complement existing city centre businesses.

### **4.4 Resources and value for money**

4.4.1 The LCP has the potential to add value to existing local initiatives and to support priorities agreed by local people and businesses. There are no direct revenue effects envisaged by the project that cannot be accommodated within existing budgets.

4.4.2 The LCP is subject to Executive Board approval of the Capital Programme report found elsewhere on this agenda and the injection of £5m into the Capital Programme. The release of any funding will be actioned through the Council's design and cost report process under the delegated powers of the Director of City Development.

### **4.5 Legal Implications, Access to Information and Call In**

4.5.1 Pursuant Section 1 of the Localism Act 2011 which allows local authorities to "do that individuals generally may do", unless explicitly prohibited elsewhere in law the Council has powers to undertake works on its own land and some departments such as Highways have powers to undertake works on private land. Other powers for works on land not within our ownership are also available but these, along with any State Aid implications, will be assessed once the bidding process has concluded.

4.5.2 The report is eligible for call-in.

## **4.6 Risk Management**

4.6.1 A separate programme risk log has been prepared and is regularly updated. Each project supported will also have a risk management plan monitored by the project manager / team and overseen by the project board.

4.6.2 Economy - New shopping patterns are changing the way that local and neighbourhood centres function. Without support there is a risk that some will fail, removing services from vulnerable communities and undermining local businesses.

4.6.3 Design & Cost - Design risks will be managed by producing fully costed plans before capital is committed and ensuring that projects have contingency built in to deal with unforeseen circumstances.

4.6.4 Resources - With a maximum grant of £150k there is the potential for a large number of projects to emerge all of which require project and programme management. This activity is resource intensive and the programme may need to phase the implementation and selection of schemes, depending on the demand in the first round call. The two call rounds that are proposed to open in February 2018 and February 2019, in addition to the quick wins proposals, are a reflection of this need to the phase scheme in order to manage limited staff resources.

## **5 Conclusions**

5.1 Securing the rejuvenation of local centres, especially where they have suffered market failure, is complex. As a result transformational change cannot just be about traditional capital interventions, as well founded as they may be. Also there is no one size fits all formula, hence the need to consult and encourage funding project proposals from Council services and local agencies servicing the local centres that are looking to adapt to the challenges of the 21<sup>st</sup> century. The call for projects from a diverse range of stakeholders will also help to identify new opportunities and connections to existing and emerging programmes that will help to tackle some of the deep-seated problems more holistically than previous town and district investments, through leveraged funding and match investment.

## **6 Recommendation**

6.1 Executive Board is recommended to:

- (i) Note the report.
- (ii) Authorise the Director of City Development, in liaison with the Executive Member (Regeneration, Transport and Planning), to implement the Local Centres Programme as outlined in paras 3.1 to 3.9 and Appendices 1 to 3.
- (iii) Note that the Executive Manager (Town Centres, Heritage & Buildings) will be responsible for implementation.

## **7 Background documents<sup>1</sup>**

7.1 None.

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<sup>1</sup> The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.

## APPENDIX 1 – Scheme Evaluation

Key Scheme Components	Essential	Important	Significant
Strategic objectives met (e.g. Best Council Plan, Leeds Inclusive Growth Strategy, Health and Wellbeing Strategy etc.)			
Scheme sustainability and on-going maintenance agreements			
Ward member, Community Committee and community support			
Technical feasibility, realism and value for money			
Improvements to local and neighbourhood centres			
Public transport infrastructure improvements			
Public art and cultural asset development			
Creation of employment space			
Improved access to jobs and training			
Better community cohesion and safety			
Active engagement with local business and business fora			
Innovative solutions to social, economic and environmental failure			
Evidence of need / deprivation / lack of local funding alternatives (e.g. CIL)			
Monitoring and evaluation			
Location within IMD ward (lowest 1%)			
Match funding			

## APPENDIX 2 – Scheme Stages

Activity	Duration*	Pipeline	Call 1	Call 2
Launch / Call	-	Nov 17	Feb18	Feb19
Bidding / Local Priorities	2			
Expression of Interest	-			
Evaluation	1			
Development	2-4			
Detailed Design	4-6			
Approvals	1-3			
Construction Programme	Varies			
Funding allocation		£500k	£2000k	£2500k

\*Duration is shown in months, but please note that timescales will depend on the nature of the project, with non-capital and smaller projects likely to be shorter.

### APPENDIX 3: Equality, Diversity, Cohesion and Integration Screening



As a public authority we need to ensure that all our strategies, policies, service and functions, both current and proposed have given proper consideration to equality, diversity, cohesion and integration.

A **screening** process can help judge relevance and provides a record of both the **process** and **decision**. Screening should be a short, sharp exercise that determines relevance for all new and revised strategies, policies, services and functions. Completed at the earliest opportunity it will help to determine:

- the relevance of proposals and decisions to equality, diversity, cohesion and integration.
- whether or not equality, diversity, cohesion and integration is being/has already been considered, and
- whether or not it is necessary to carry out an impact assessment.

<b>Directorate: City Development</b>	<b>Service area: Regeneration</b>
<b>Lead person: Franklin Riley</b>	<b>Contact number: 0113 37 87708</b>

**1. Title: Local Centres Programme**

Is this a:

**Strategy / Policy**
 **Service / Function**
 **Other**

**If other, please specify**

**2. Please provide a brief description of what you are screening**

The Local Centres Programme will provide primarily capital interventions to support projects designed to revitalise local and neighbourhood centres and make them fit for the 21<sup>st</sup> century.

**3. Relevance to equality, diversity, cohesion and integration**

All the Council's strategies/policies, services/functions affect service users, employees or the wider community – city wide or more local. These will also have a greater/lesser relevance to equality, diversity, cohesion and integration.

The following questions will help you to identify how relevant your proposals are.

When considering these questions think about age, carers, disability, gender reassignment, race, religion or belief, sex, sexual orientation and any other relevant

characteristics (for example socio-economic status, social class, income, unemployment, residential location or family background and education or skills levels).		
<b>Questions</b>	<b>Yes</b>	<b>No</b>
Is there an existing or likely differential impact for the different equality characteristics?		✓
Have there been or likely to be any public concerns about the policy or proposal?		✓
Could the proposal affect how our services, commissioning or procurement activities are organised, provided, located and by whom?		✓
Could the proposal affect our workforce or employment practices?		✓
Does the proposal involve or will it have an impact on <ul style="list-style-type: none"> <li>• Eliminating unlawful discrimination, victimisation and harassment</li> <li>• Advancing equality of opportunity</li> <li>• Fostering good relations</li> </ul>		✓

If you have answered **no** to the questions above please complete **sections 6 and 7**

If you have answered **yes** to any of the above and;

- Believe you have already considered the impact on equality, diversity, cohesion and integration within your proposal please go to **section 4**.
- Are not already considering the impact on equality, diversity, cohesion and integration within your proposal please go to **section 5**.

<b>4. Considering the impact on equality, diversity, cohesion and integration</b>
If you can demonstrate you have considered how your proposals impact on equality, diversity, cohesion and integration you have carried out an impact assessment.
Please provide specific details for all three areas below (use the prompts for guidance).
<ul style="list-style-type: none"> <li>• <b>How have you considered equality, diversity, cohesion and integration?</b> (think about the scope of the proposal, who is likely to be affected, equality related information, gaps in information and plans to address, consultation and engagement activities (taken place or planned) with those likely to be affected.</li> </ul>
N/A
<ul style="list-style-type: none"> <li>• <b>Key findings</b> (think about any potential positive and negative impact on different equality characteristics, potential to promote strong and positive relationships between groups, potential to bring groups/communities into increased contact with each other, perception that the proposal could benefit one group at the expense of another)</li> </ul>
<b>Opportunities</b>

N/A
<ul style="list-style-type: none"> <li>• <b>Actions</b> (think about how you will promote positive impact and remove/ reduce negative impact)</li> </ul>
N/A

**5. If you are **not** already considering the impact on equality, diversity, cohesion and integration you **will need to carry out an impact assessment.****

Date to scope and plan your impact assessment:	N/A
Date to complete your impact assessment	N/A
Lead person for your impact assessment (Include name and job title)	N/A

<b>6. Governance, ownership and approval</b>		
Please state here who has approved the actions and outcomes of the screening		
<b>Name</b>	<b>Job title</b>	<b>Date</b>
Martin Farrington	Director City Development	11 October 2017

<b>7. Publishing</b>	
This screening document will act as evidence that due regard to equality and diversity has been given. If you are not carrying out an independent impact assessment the screening document will need to be published.	
Please send a copy to the Equality Team for publishing	
<b>Date screening completed</b>	11 October 2017
<b>Date sent to Equality Team</b>	11 October 2017
<b>Date published</b> (To be completed by the Equality Team)	